



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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Third District

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Fifth District

June 19, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Change of County Position on Legislation Related to Proposition 39:**
 - **County-supported SB 64 (Corbett)** - related to financial assistance for school districts, cities, and counties to install energy efficiency or clean energy technology in public schools and municipal facilities.
 - **County-support-if-amended AB 39 (Skinner)** - related to grants, loans, and other financial assistance for K-12 public schools and community colleges to reduce energy demand and consumption.
 - **County-support-if-amended SB 39 (De León)** - related to grants for K-12 public schools for energy efficiency upgrade projects.
- An update on eight proposed constitutional amendments that would lower the voter thresholds required for cities, counties and special districts to incur bonded indebtedness or to approve special taxes for specific purposes.

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Change of County Position on Legislation Related to Proposition 39

County-supported SB 64 (Corbett), which would have directed the California Energy Commission to develop and administer a competitive financial assistance program consistent with Proposition 39 for energy efficiency and clean energy onsite generation projects and would have designated hospitals, wastewater treatment facilities and other facilities in public school districts as eligible projects, was amended on June 14, 2013.

As amended, the measure now would create the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund (i.e., cap-and-trade revenues) and require the Legislature to annually appropriate those funds through the State Budget Act for grants to non-profit public benefit corporations and regional technology alliances to design and implement transformative technologies programs.

All provisions related to Proposition 39 have been deleted. **Therefore, the Sacramento advocates will remove support for SB 64 and take no position on the measure until an analysis of the new provisions can be completed.** This office is working with affected departments to review SB 64 as amended for potential County impact.

SB 64 has been referred to the Assembly Natural Resources Committee. A hearing date has not been set.

County-support-if-amended AB 39 (Skinner), which as amended on May 24, 2013, would require the State to administer Proposition 39 grants, loans, or other financial assistance to an eligible institution, defined as a K-12 public school or a community college, for eligible projects that create jobs in California by reducing energy demand and consumption, and would, commencing in FY 2016-17, authorize 25 percent of Proposition 39 revenue to be allocated to projects at K-12 public schools, community colleges and other eligible institutions, public universities, or public buildings.

As previously reported, the FY 2013-14 State Budget package allocated Proposition 39 funds to: 1) K-12 public schools and community colleges for energy efficiency programs through grants and low- and no-interest loans; 2) The California Conservation Corps for job training and work programs; and 3) The California Workforce Investment Board for workforce training for veterans and disadvantaged youth.

Because the source of funding that the provisions of AB 39 would have required for implementation have been allocated through the State Budget process, this office anticipates that this measure will not proceed this year or it will be amended in the

future for other purposes. **Therefore, the Sacramento advocates will remove the County's support-if-amended position on AB 39 and take no position on the measure at this time.** This office will continue to monitor AB 39 for future amendments and will report back as necessary.

County-support-if-amended SB 39 (De León), which as amended on May 28, 2013, would: 1) require the State to develop the Clean Energy Employment and Student Advancement Program to award grants from funds generated by the California Clean Energy Jobs Act, based on the average daily attendance, to a school district, weighted as specified, for energy efficiency upgrade projects and develop criteria for project development, approval and energy savings reporting; and 2) for FY 2013-14, provide Proposition 39 monies to fund energy efficiency projects that are on the Emergency Repair Program unfunded approval list.

Similar to AB 39, because the source of funding that the provisions of SB 39 would have required for implementation have been allocated through the State Budget process, this office anticipates that this measure will not proceed this year or it will be amended in the future for other purposes. **Therefore, the Sacramento advocates will remove the County's support-if-amended position on SB 39 and take no position on the measure at this time.** This office will continue to monitor SB 39 for future amendments and will report back as necessary.

Proposed Constitutional Amendments to Lower Voter Thresholds

ACA 8 (Blumenfield), which as introduced on February 13, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to incur bonded indebtedness to fund the construction, reconstruction, rehabilitation, or replacement of public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, including furnishings and equipment. The bill defines public improvements to include improvements to transportation infrastructures, streets and roads, sidewalks, transit systems, highways, freeways, sewer systems, water systems, wastewater systems, storm drain systems, and park and recreations facilities.

The Assembly approved ACA 8 by a vote of 54 to 25 on June 15, 2013 without a committee hearing. This measure now proceeds to the Senate and is pending referral to a policy committee. However, the California State Association of Counties and the Sacramento Bee report that Senate President Pro Tem Steinberg has indicated that the Senate has no plans to take up the measure this year, but might do so in 2014.

ACA 3 (Campos) - Public Safety, which as introduced on January 22, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend or increase a special tax to fund fire, emergency response, police or sheriff services and to incur bonded indebtedness to fund fire, emergency response, police or sheriff buildings or facilities, and equipment. ACA 3 is pending consideration in the Assembly Local Government Committee.

SCA 3 (Leno) - Education, which as amended on May 21, 2013, would authorize school districts, community college districts, and county offices of education to impose a parcel tax on real property by a 55 percent vote of the voters in the district or county under specified circumstances. SCA 3 passed the Senate Elections and Constitutional Amendments Committee by a vote of 3 to 0 on June 18, 2013. This measure now proceeds to the Senate Rules Committee.

SCA 4 (Liu) - Transportation, which as amended on May 21, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend or increase a special tax to fund local transportation projects, if the ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes. SCA 4 passed the Senate Governance and Finance Committee by a vote of 5 to 1 on May 15, 2013. The measure is now pending consideration in the Senate Transportation and Housing Committee.

SCA 7 (Wolk) - Public Libraries, which as amended on February 26, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend, or increase a special tax to fund public libraries and to incur bonded indebtedness to fund the construction, rehabilitation, furnishing, equipping, and/or lease of real property for public library facilities, if the proposition includes a list of the specific library facilities projects to be funded and a requirement that proceeds from the sale of bonds be used only for the purposes specified. SCA 7 passed the Senate Elections and Constitutional Amendments Committee by a vote of 3 to 0 on June 18, 2013. This measure now proceeds to the Senate Rules Committee.

SCA 8 (Corbett) - Transportation, which as amended on May 21, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend or increase a special tax to fund local transportation projects, if the ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes. This measure, which is identical to SCA 4 (Liu), is pending consideration in the Senate Transportation and Housing Committee.

SCA 9 (Corbett) - Economic Development, which as amended on May 21, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend or increase a special tax for community and economic development projects, if the ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes. The bill defines community and economic development projects as projects that improve, upgrade, or revitalize areas within the local government's jurisdiction that have become blighted because of deterioration, disuse, or unproductive economic conditions. SCA 9 passed the Senate Elections and Constitutional Amendments Committee by a vote of 3 to 0 on June 18, 2013. This measure now proceeds to the Senate Rules Committee.

SCA 11 (Hancock) - Local Government, which as amended on May 21, 2013, would lower the voter threshold to 55 percent for cities, counties or special districts to impose, extend or increase a special tax for any purpose, if the ballot proposition contains a specific list of programs and purposes to be funded and a requirement that tax proceeds be spent solely for those programs and purposes. SCA 11 passed the Senate Elections and Constitutional Amendments Committee by a vote of 3 to 0 on June 18, 2013. This measure now proceeds to the Senate Rules Committee.

We will continue to keep you advised.

WTF:RA
MR:KA:AO:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants